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SUBJECT: CODEL MEEKS VISIT FOCUSES ON ECONOMIC DEVELOPMENT

REF: A. KIGALI 552 B. KIGALI 558

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Classified By: Ambassador W. Stuart Symington, for Reasons 1.4 (b) and (d)

¶1. (U) SUMMARY: A Congressional delegation led by Rep. Gregory Meeks (NY), who chairs the House Financial Services Committee's Sub-committee on International Monetary Policy and Trade, and including subcommittee members Representatives Melvin Watt (NC), Sheila Jackson Lee (TX), Jack Kingston (GA) and Marcia Fudge (OH) visited Rwanda August 31 - September 2. During their stay, the CODEL met with Rwanda's president and finance minister, other private- and public-sector leaders involved in economic development and business in Rwanda, and viewed key assistance projects that had received USG or International Financial Institution (IFI) funding. END SUMMARY.

Kagame Optimistic on Rwanda's Development, Regional Relations

¶2. (C) In a September 2 meeting with the CODEL, Rwandan president Paul Kagame highlighted the improving lot of the ordinary Rwandan citizen while stressing the need to increase human resource capacity and go beyond what Rwanda has already done in agriculture, education and health--using ICT to undergird and reinforce all areas. He also focused on enhancing regional stability and prosperity, especially with the Democratic Republic of the Congo (DRC), noting that Rwanda could not do well if its neighbors did not also prosper.

¶3. (C) President Kagame thanked the delegation for spending time in Rwanda so they could get to know the country firsthand. He began by recounting the story of a poor village widow who leveraged her government-provided cow into a profitable milk-selling business, transformed the milk profits into a motorcycle taxi business, and would soon purchase a car. Her dream, she told Kagame, was to see Rwanda's airport. Kagame added that she would have a chance to do that and may even get to fly. (Comment: This story, easily true, was his metaphor for the transformation of the Rwandan countryside that the GOR seeks to achieve and reflects his conviction that, with limited support and inculcation of a culture of self-sufficiency, Rwandans will prosper. End Comment.)

¶4. (C) In response to a query about the role of the African Development Bank (ADB), Kagame--noting appreciatively that the current ADB president is a former Government of Rwanda (GOR) Minister of Finance--praised the Bank as very good for the region. He added that, in his "personal opinion," it would be better to have more assistance funds for Africa

coordinated through the ADB, rather than by many IFIs. Responding to a question about Rwanda's low voting coincidence with the U.S. on key votes in the UN, he professed unfamiliarity with the statistics but described Rwanda's past support for USG positions on the International Criminal Court, on trade issues "even when it put us in conflict with other African countries," and on Iraq. On the latter, he explained his own refusal to support an "African consensus" against the Iraq war at a meeting in Paris convened by then-president of France Jacques Chirac. Kagame said such a "consensus" could only have been appropriately developed in Africa and that the Iraq issue had (wrongly) become a French-led attempt to conduct a general referendum Qbecome a French-led attempt to conduct a general referendum against the United States. He added with a flourish that French accusations of the U.S. "going it alone" in Iraq were especially hypocritical given France's "unilateral intervention, on the wrong side" in Rwanda in 1994.

¶5. (C) Regarding the situation in Eastern Congo, Kagame asserted that the "communication and understanding" he developed with Congolese president Joseph Kabila, through conversations since 2002, has made the "small groups of dispersed FDLR" currently in Eastern Congo a much less significant threat. (Note: The FDLR is an armed, rebel Rwandan group operating in Eastern DRC that has been the target of combined Rwandan-Congolese and Congolese-UN military operations this year. End Note.) He described positively a recently-announced joint Rwandan-Congolese venture to exploit methane gas in Lake Kivu--an energy program that promises long-term, clean energy for both Rwanda and the region. On health care, Kagame said that approximately twenty percent of the Government of Rwanda's (GOR) budget currently goes toward health care. The Rwandan system is universal, covering some 85% of the population,

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but, he noted, it is not free: people pay a small fee so they understand the value of health care and do not develop a sense of dependency. As the economy expands, Kagame continued, the mechanisms put in place now will serve Rwandans in the future with people paying more and the GOR's burden decreasing.

Finance Minister Touts Rwanda's Success and Prospects

¶6. (C) During a September 1 meeting with the CODEL, Finance Minister James Musoni underscored the difficult situation Rwanda faced following the 1994 genocide and civil war, and then described at length the GOR's overall "Vision 2020" development strategy, as adopted in 2000 and modified in ¶2005. The GOR's current plan, he explained, focused on achieving export-led economic growth, reducing poverty among the most vulnerable members of society, and continuing to expand good governance. Rwanda, he continued, sought to take advantage of its "strategic location" as a "gateway" to neighboring countries and become a logistical and financial hub for businesses operating in the region. In order to match that vision, Rwanda had joined and was acting to strengthen the East African Community (EAC). It planned to build with its partners a railway link to Tanzania and a large new airport with greater cargo-handling capacity. The GOR was also focusing on education in order to develop its relatively unskilled labor force. Regarding relations with donors, Musoni said the GOR was generally "happy, especially with the U.S.," although it was still waiting for Sweden and the Netherlands to resume direct budget support, "as promised." (Note: Sweden and the Netherlands suspended their aid following allegations in late 2008 by a UN panel that the GOR had been supporting armed groups in the DRC. Since that time the GOR moved to curb the influence of the key Kinyarwanda-speaking armed group in the DRC, arresting its leader, and Rwanda advocated forcefully for the integration into the Congolese army of armed groups other than the FDLR. End Note.) Concluding his remarks, Musoni

said Rwanda was pleased to have qualified in 2008 for a Millenium Challenge Corporation (MCC) Threshold Program, and he declared that Rwanda thought all conditions had been met to move to a Compact.

Development Assistance / Economic Growth Activities

¶17. (U) During their visit, the CODEL met with Rwanda Development Board (RDB) senior officials, who touched on many of the same points made by Kagame and Musoni. (Note: RDB is the GOR entity established to improve Rwanda's business climate that helped engineer the reforms that vaulted Rwanda over 75 other countries in the World Bank's "Doing Business" rankings announced this week, per Ref A. End Note.) U.S.-based export consultancy On the Frontier (OTF) briefed CODEL members on its activities to encourage private enterprise in key sectors such as tourism and coffee. The delegation also interacted with Rwandan clients of Urwego Opportunity Bank, an affiliate of U.S.-based Opportunity International, specializing in micro-lending. They conducted site visits to poverty-reduction and infrastructure programs funded by the African Development Bank, as well as to the main teaching hospital in Kigali, which receives USG support Qmain teaching hospital in Kigali, which receives USG support via PEPFAR. In addition, they met with U.S. investors operating in Rwanda (Ref B) and visited the local enterprise Gahaya Links, which currently exports high-end handicrafts to the U.S., and Utexrwa, a textile firm that is taking advantage of AGOA. Finally, accompanied by a senior Rwandan parliamentarian, the delegation laid a wreath at the Gisozi genocide memorial/mass grave.

¶18. (U) There was ample and favorable local press coverage of the CODEL, including television airtime and three different articles in the pro-government daily "New Times."

¶19. (U) CODEL Meeks did not have the opportunity to clear this cable before departing Rwanda.

SYMINGTON